

BEFORE THE BOARD OF REAL ESTATE APPRAISERS

STATE OF IDAHO

In the Matter of the License of: )  
JEFFREY LEE WOOD, ) Case No. REA-2007-2  
License No. CRA-1746, )  
Respondent. ) **STIPULATION AND**  
 ) **CONSENT ORDER**  
 )

REA\Wood\P6354lka

WHEREAS, information having been received by the Idaho State Board of Real Estate Appraisers (hereinafter the "Board") which constitutes sufficient grounds for the initiation of an administrative action against Jeffrey Lee Wood (hereinafter "Respondent"); and

WHEREAS, the parties mutually agree to settle the matter pending administrative Board action in an expeditious manner; now, therefore,

IT IS HEREBY STIPULATED AND AGREED between the undersigned parties that this matter shall be settled and resolved upon the following terms:

A.

1. The Board may regulate the practice of real estate appraising in the State of Idaho in accordance with title 54, chapter 41, Idaho Code.

2. Respondent Jeffrey Lee Wood is a licensee of the Idaho State Board of Real Estate Appraisers and holds License No. CRA-1746 to practice real estate appraising in the State of Idaho. Respondent's license is subject to the provisions of title 54, chapter 41, Idaho Code.

3. Appraisals in the State of Idaho must comply with the minimum standards set forth in the Uniform Standards of Professional Appraisal Practices ("USPAP").

4. On or about May 8, 2003, Respondent prepared an appraisal report for the property located at 809 East Warm Springs Avenue in Boise, Idaho (the "Subject

Property”). On or about March 18, 2004, Respondent prepared a second appraisal report for the Subject Property.

5. The 2003 report for the Subject Property fails to meet the following requirements of USPAP Standards (2003):

- a. Standards Rule 1-1(a): Respondent uses the square footage instead of the gross monthly income on comparable #3 gross monthly rent and fails to discuss the basement finish or use, site improvements, and site value support.
- b. Standards Rule 1-1(c): The report contains typographical errors, uses a gross rent multiplier higher than any of the comparables, fails to include the best sales and rental comparables in the marketplace, and fails to include an analysis of highest and best use.
- c. Standards 1-3(a) and (b): Comments in the report are canned and there are no specifics to the neighborhood or marketing trends. Respondent informed the Bureau of Occupational Licenses investigator that the highest value may have been single family residential use but valued at a lesser use “at the request of the client.” Single family residences in the district were commanding \$90-\$133 per square foot at the time; the multi-family sales included in the reports ranged from \$83-\$84 per square foot. A highest and best use analysis should have been included in order to not mislead the users of the report.
- d. Standards 1-4(a), (b) and (c): The report fails to include enough comparable information or use the best comparables available. There was inadequate support for the adjustments for quality, location, site value, design/appeal, and size. In addition, no analysis was performed on comparable rental data, and the income approach reconciled all the units of the subject to \$650-\$680 although the square footages and room counts varied widely. Vacancy and income reporting were different in the appraisal and the operating income statement.
- e. Standard 1-4(a)(i): The report fails to state the methodology of

arriving at the site value estimate of \$100,000, and available sales data as of the date of the appraisal support a value of \$35,000 to \$50,000.

f. Standard 1-6: The report contains no reconciliations.

6. The 2004 report for the Subject Property fails to meet the following requirements of USPAP Standards (2004):

a. Standards Rule 1-1(a): Respondent fails to include the basement and garage in the cost approach, uses listing comparables that had sold, and fails to discuss the basement finish or use, site improvements, and site value support.

b. Standards Rule 1-1(c): The report contains typographical errors, uses a gross rent multiplier higher than any of the comparables, fails to include the best sales and rental comparables in the marketplace, and fails to include an analysis of highest and best use.

c. Standards 1-3(a) and (b): Comments in the report are canned and there are no specifics to the neighborhood or marketing trends. Respondent informed the Bureau of Occupational Licenses investigator that the highest value may have been single family residential use but valued at a lesser use "at the request of the client." Single family residences in the district were commanding \$90-\$133 per square foot at the time; the multi-family sales included in the reports ranged from \$83-\$84 per square foot. A highest and best use analysis should have been included in order to not mislead the users of the report.

d. Standards 1-4(a), (b) and (c): The report fails to include enough comparable information or use the best comparables available. There was inadequate support for the adjustments for quality, location, site value, design/appeal, and size. In addition, no analysis was performed on comparable rental data, and the income approach reconciled all the units of the subject to \$650-\$680 although the square footages and room counts varied widely. Vacancy and income reporting were different in the appraisal and the operating income statement.

e. Standard 1-4(a)(i): The report fails to state the methodology of arriving at the site value estimate of \$100,000, and available sales data as of the date of the appraisal support a value of \$35,000 to \$50,000.

f. Standard 1-6: The report contains no reconciliations.

7. The above-stated allegations, if proven, would constitute a violation of the laws and rules governing the practice of real estate appraising, specifically Idaho Code § 54-4107(1)(e) and IDAPA 24.18.01.700. Violations of this law and rule would further constitute grounds for disciplinary action against Respondent's license to practice real estate appraising in the State of Idaho.

8. Respondent, in lieu of proceeding with a formal disciplinary action to adjudicate the allegations as set forth above, hereby admits the violations and agrees to the discipline against his license as set forth in Section C below.

## **B.**

I, Jeffrey Lee Wood, by affixing my signature hereto, acknowledge that:

1. I have read and admit the allegations pending before the Board, as stated above in Section A. I further understand that these allegations constitute cause for disciplinary action upon my license to practice real estate appraising in the State of Idaho.

2. I understand that I have the right to a full and complete hearing; the right to confront and cross-examine witnesses; the right to present evidence or to call witnesses, or to so testify myself; the right to reconsideration; the right to appeal; and all rights accorded by the Administrative Procedure Act of the State of Idaho and the laws and rules governing the practice of real estate appraising in the State of Idaho. I hereby freely and voluntarily waive these rights in order to enter into this stipulation as a resolution of the pending allegations.

3. I understand that in signing this Stipulation and Consent Order I am enabling the Board to impose disciplinary action upon my license without further process.

/ / /

**C.**

Based upon the foregoing stipulation, it is agreed that the Board may issue a decision and order upon this stipulation whereby:

1. Respondent shall pay to the Board an administrative fine in the amount of Seven Hundred Fifty and No/100 Dollars (\$750.00) within thirty (30) days of the entry of the Board's Order.
2. Respondent shall pay investigative costs and attorney fees in the amount of One Thousand and No/100 Dollars (\$1,000.00) within sixty (60) days of the entry of the Board's Order.
3. Respondent shall take (1) a 15-hour continuing education course in Residential Highest and Best Use; and (2) a 15-hour National USPAP course, both from Board-approved providers, within six (6) months from the date of entry of the Board's Order and shall take and pass any examinations given at the conclusion of the courses. Respondent shall submit proof of attendance and proof that he passed any given examinations within 30 days of attendance. If no examinations are given at the conclusion of a class, Respondent shall submit a letter from the course instructor stating that no examinations were given. Said continuing education shall be in addition to any continuing education Respondent is required to obtain to maintain his license.
4. Respondent's License No. CRA-1746 shall be placed on probation for a period of one (1) year from the date of entry of the Board's Order. The conditions of probation are as follows:
  - a. Respondent shall comply with all state, federal and local laws, rules and regulations governing the practice of real estate appraising in the State of Idaho.
  - b. Respondent shall inform the Board in writing of any change of place of practice or place of business within 15 days of such change.
  - c. In the event Respondent should leave Idaho for three (3) continuous months, or to reside or practice outside of the state, Respondent must provide written

notification to the Board of the dates of departure, address of intended residence or place of business, and indicate whether Respondent intends to return. Periods of time spent outside Idaho will not apply to the reduction of this period or excuse compliance with the terms of this Stipulation.

d. Respondent shall fully cooperate with the Board and its agents, and submit any documents or other information within a reasonable time after a request is made for such documents or information.

e. Respondent shall make all files, records, correspondence or other documents available immediately upon the demand of any member of the Board's staff or its agents.

5. At the conclusion of the one-year probationary period, Respondent may request from the Board reinstatement of License No. CRA-1746 without restriction. Any request for reinstatement must be accompanied by written proof of compliance with the terms of this Stipulation and Consent Order. The Board retains discretion to grant reinstatement of Respondent's license or to deny reinstatement and continue the period of probation.

6. All costs associated with compliance with the terms of this Stipulation and Consent Order are the sole responsibility of Respondent.

7. The violation of any of the terms of this Stipulation and Consent Order by Respondent will warrant further Board action. The Board therefore retains jurisdiction over this proceeding until all matters are finally resolved as set forth in this Stipulation and Consent Order.

#### **D.**

1. It is hereby agreed between the parties that this Stipulation and Consent Order shall be presented to the Board with a recommendation for approval from the Deputy Attorney General responsible for prosecution before the Board at the next regularly scheduled meeting of the Board.

2. Respondent understands that the Board is free to accept, modify with Respondent's approval, or reject this settlement agreement, and if rejected by the Board, an administrative Complaint will be filed. By signing this document, Respondent waives any right Respondent may have to challenge the Board's impartiality to hear the allegations in the Complaint based on the fact that the Board has considered and rejected this settlement agreement. Pursuant to Idaho Code § 67-5252, Respondent retains the right to otherwise challenge the impartiality of any Board member to hear the allegations in the Complaint based upon bias, prejudice, interest, substantial prior involvement in the case or any other reason provided by law or for any cause for which a judge is or may be disqualified.

3. If the Board does not accept this Stipulation and Consent Order then, except for Respondent's waiver set forth in Paragraph D(2), above, it shall be regarded as null and void. Admissions by Respondent in the settlement agreement will not be regarded as evidence against Respondent at the subsequent disciplinary hearing.

4. With the exception of Paragraph D(2), above, which becomes effective upon Respondent signing this document, this Stipulation and Consent Order shall not become effective until it has been approved by a majority of the Board and endorsed by a representative member of the Board.

5. Any failure on the part of Respondent to timely and completely comply with any term or condition herein shall be deemed a default.

6. Any default of this Stipulation and Consent Order shall be considered a violation of Idaho Code § 54-4107. If Respondent violates or fails to comply with this Stipulation and Consent Order, the Board may impose additional discipline pursuant to the following procedure:

a. The Chief of the Bureau of Occupational Licenses shall schedule a hearing before the Board to assess whether or not Respondent has defaulted under this agreement. The Chief shall also serve notice of the default hearing and charges to

Respondent and to Respondent's attorney, if any. Within twenty-one (21) days after the notice of default hearing and charges is served, Respondent shall submit a response to the allegations. If Respondent does not submit a timely response to the Board, the allegations of default will be deemed admitted.

b. At the default hearing, the Board and Respondent may submit affidavits made on personal knowledge and present oral argument based upon the record in support of their positions. Unless otherwise ordered by the Board, the evidentiary record before the Board shall be limited to such affidavits and this Stipulation and Consent Order. Respondent waives a hearing before the Board on the facts and substantive matters related to the violations described in Section A, and waives discovery, cross-examination of adverse witnesses, and other procedures governing administrative hearings or civil trials.

c. At the default hearing, the Board will determine whether to impose additional disciplinary action, which may include conditions or limitations upon Respondent's practice or suspension or revocation of Respondent's license.

7. This Stipulation and Consent Order is the resolution of a contested case and is a public record.

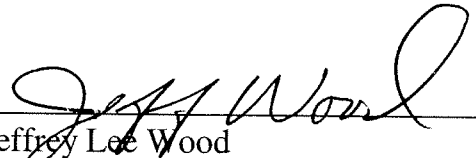
8. This Stipulation and Consent Order contains the entire agreement between the parties, and Respondent is not relying on any other agreement or representation of any kind, verbal or otherwise.

I have read the above stipulation fully and have had the opportunity to discuss it with legal counsel. I understand that by its terms I will be waiving certain rights accorded me under Idaho law. I understand that the Board may either approve this stipulation as proposed, approve it subject to specified changes, or reject it. I understand that, if approved as proposed, the Board will issue an Order on this stipulation according to the aforementioned terms, and I hereby agree to the above stipulation for settlement. I understand that if the Board approves this stipulation subject to changes, and the changes are acceptable to me, the stipulation will take effect and an order modifying the terms of the stipulation will be issued. If



the changes are unacceptable to me or the Board rejects this stipulation, it will be of no effect.


DATED this 9 day of March, 2007.

  
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Jeffrey Lee Wood  
Respondent

I concur in this stipulation and order.

DATED this 15<sup>th</sup> day of March, 2007.

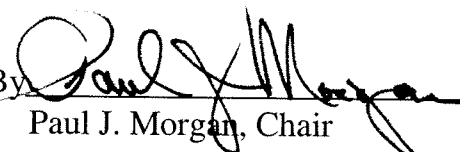
STATE OF IDAHO  
OFFICE OF THE ATTORNEY GENERAL

By   
\_\_\_\_\_  
Karl T. Klein  
Deputy Attorney General

### ORDER

Pursuant to Idaho Code § 54-4106, the foregoing is adopted as the decision of the Board of Real Estate Appraisers in this matter and shall be effective on the 10 day of April, 2007. **IT IS SO ORDERED.**

IDAHO STATE BOARD  
OF REAL ESTATE APPRAISERS

By   
\_\_\_\_\_  
Paul J. Morgan, Chair

## CERTIFICATE OF SERVICE


I HEREBY CERTIFY that on this 10<sup>th</sup> day of April, 2007, I caused to be served a true and correct copy of the foregoing by the following method to:

Jeffrey Lee Wood  
Marketwise, Inc.  
2399 S. Orchard #200  
Boise, ID 83705

- ☒ U.S. Mail
- ☐ Hand Delivery
- ☒ Certified Mail, Return Receipt Requested
- ☐ Overnight Mail
- ☐ Facsimile: \_\_\_\_\_
- ☐ Statehouse Mail

Karl T. Klein  
Deputy Attorney General  
P.O. Box 83720  
Boise, ID 83720-0010

- ☐ U.S. Mail
- ☐ Hand Delivery
- ☐ Certified Mail, Return Receipt Requested
- ☐ Overnight Mail
- ☐ Facsimile: \_\_\_\_\_
- ☒ Statehouse Mail

  
\_\_\_\_\_  
Chief  
Bureau of Occupational Licenses